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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 14, 2007

Randall Phillips, Business Specialist
Wells Fargo Bank, Northwest N.A.
326 South Main Street
Milford, Utah 84751

Subject: Authorization for Release of Certificate of Deposit (CD) and Termination of CD Letter Agreement, Basin Perlite Company, Pearl Queen Perlite Mine, M/001/027, Beaver, Utah

Dear Mr. Phillips,

Wells Fargo Bank is presently holding a Certificate of Deposit, account number 7400120973, for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Basin Perlite Company, for their Pearl Queen Perlite Mine.

The Operator, Basin Perlite Company, have performed their obligations under the terms of the agreement therefore:

- The Division authorizes Wells Fargo Bank to release the full deposit amount of \$26,720 along with any accrued interest to the Owners, or their legal successors-in-interest;
- The unconditional control of the CD shall be returned to the Owner;
- The terms and conditions associated with the CD Letter Agreement are no longer in effect;
- The enclosed copy of the CD letter agreement is now terminated.

If you have any questions or require further discussion regarding the content of this letter, please contact Mr. Jed Pearson, (801) 538-5382.

Sincerely,

John Baza
for John Baza
Director

JB:JP:pb

cc: Tim Mosley, Basin Perlite Company 1400 16th St. Suite 200, Denver, CO 80202
Jed Pearson, OGM
Opie Abeyta, BLM

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This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number M/001/0027 Mine Name Pearl Queen Perlite
Operator _____ Date _____
TO _____ FROM _____

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description

YEAR-Record Number

☐ NOI ☒ Incoming ☐ Outgoing ☐ Internal ☐ Superceded
Reclamation Contract and Attachment A Rec'd Feb 17 2004

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____